

Message Text

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PAGE 01 STATE 114259
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FM SECSTATE WASHDC
TO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: TRADE FACILITATION COMMITTEE; ROYAL PARKER RANCH
(GOJ RESTRICTIONS ON FOREIGN-BRED HORSES)

1. SUMMARY: USDOC FORWARDING CASE CONCERNING SEMI-OFFICIAL JAPAN RACING ASSOCIATION'S (JRA) RESTRICTIONS AGAINST FOREIGN-BRED (INCLUDING U.S.) RACE HORSES. THIS IS FIRST CASE IN WHICH USDOC'S OFFICE OF ASSISTANT GENERAL COUNSEL FOR INDUSTRY AND TRADE (AGC/ITA) WILL PARTICIPATE IN PREPARING FORMAL CASE. PER NEW PROCEDURE INITIATED WITH THIS CASE EMBASSY REQUESTED TO CORROBORATE FACTS AND PROVIDE APPROPRIATE SUPPLEMENTARY INFORMATION FOR USE IN COMMERCE'S PREPARATION OF SUBJECT CASE. EMBASSY SHOULD NOT RPT NOT RAISE CASE IN TFC. FILE ON CASE WILL BE AIR POUCHED TO EMBASSY. END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 114259

2. DR. RO JEUNG PARK, ROYAL PARKER RANCH, HAS WRITTEN TO COMMERCE ABOUT ALLEGED DISCRIMINATORY JAPANESE RESTRICTIONS WHICH IN EFFECT PRECLUDE PARTICIPATION OF FOREIGN-BRED HORSES IN JAPANESE RACES. PARK ESTIMATES THAT APPROXIMATELY THREE AND A HALF MILLION DOLLARS HAVE ALREADY BEEN SPENT ON PURCHASES OF AMERICAN HORSES IN EXPECTATION THAT JRA RESTRICTIONS WILL BE LIFTED.

3. COMPLAINT RAISED THROUGH EMBASSY IN EARLY 1976. JRA PRACTICES ARE HEREBY SUMMARIZED FROM PREVIOUS INFORMATION OBTAINED FROM PARK, EMBASSY OR COMMERCE CONTACTS, AS FOLLOWS:

(A) JRA REQUIRES REGISTRATION OF BOTH "HOME-BRED HORSES" (JAPANESE-BRED) AND "FOREIGN-BRED" HORSES, BUT VIRTUALLY PRECLUDES PARTICIPATION OF THE LATTER BY (I) PERMITTING ONLY RESIDENTS OF JAPAN TO APPLY FOR REGISTRATION, AND (II) NARROWLY DEFINING "FOREIGN-BRED" HORSES: AS THOSE "HORSES WHICH HAVE NEVER RUN IN A RACE IN A FOREIGN COUNTRY" OR "FOALS BORN IN JAPAN FROM IN-FOAL BROOD MARES IMPORTED FROM ABROAD." THUS A HORSE SUCH AS SECRETARIAT WOULD NOT MEET THE CRITERIA FOR A "FOREIGN-BRED" HORSE AND COULD NOT RUN IN JAPANESE RACES.

(B) JRA REGULATIONS RESTRICT FOREIGN-BRED HORSES TO RUNNING IN TEN PERCENT OF MAJOR JAPANESE RACES (ACCORDING TO PARK, ONLY ONE PERCENT OF THE RACES ON THE JAPANESE CALENDAR ARE, IN FACT, OPEN TO FOREIGN-BRED HORSES).

4. IMPORT DUTY OF FOUR MILLION YEN PER HORSE. JAPANESE CUSTOMS LEVIES A FOUR MILLION YEN DUTY (18,182 DOLLARS AT EXCHANGE RATE 220 YEN EQUAL 1 DOLLAR) ON EACH IMPORTED RACE HORSE (BTN 01.01-029), NOT RELATED TO HORSE'S VALUE.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 114259

5. CORRESPONDING U.S. REGULATIONS AND PRACTICES ARE SUMMARIZED, AS FOLLOWS:

(A) PARTICIPATION OF FOREIGN-BRED HORSES IN MAJOR US RACES IS OPEN. AMERICAN HORSE COUNCIL CONFIRMS THAT FOREIGN-BRED HORSES CAN RUN IN EVERY MAJOR US RACE REGARDLESS OF COUNTRY OF ORIGIN. THERE ARE A FEW RACES IN WHICH ONLY HORSES FROM THE STATE IN WHICH THE RACE IS RUN ARE PERMITTED ENTRY.

(B) WHILE REGISTRATION OF FOREIGN-BRED HORSES IS REQUIRED IN UNITED STATES, THE REQUIREMENT IS NOT RESTRICTIVE. FOREIGN OWNERS WISHING TO RUN THEIR HORSE IN AMERICAN RACES ARE REQUIRED TO NOTIFY THE JOCKEY CLUB AND HAVE HORSES LISTED IN THE AMERICAN STUD BOOK. PRIOR TO LISTING, THE HORSE MUST MEET PEDIGREE REQUIREMENTS AS SET BY THE JOCKEY CLUB. FOREIGN HORSEOWNERS NEED NOT BE US RESIDENTS IN ORDER TO REGISTER THEIR HORSES.

C. HORSES ENTER DUTY-FREE INTO THE UNITED STATES. A THREE PERCENT AD VALOREM DUTY, WHICH IS STILL IN EFFECT ON IMPORTED HORSES UNDER ITEM 100.75, TSUS, HAS BEEN SUSPENDED

TEMPORARILY BY ITEM 903.51, TSUS, UNTIL JUNE 30, 1980.

(D) OTHER REQUIREMENTS (USDA HEALTH REGULATIONS) INCLUDE:

(I) TWO-THREE DAY INSPECTION IN QUARANTINE STATION AT FIRST U.S. PORT-OF-ENTRY; (II) TESTS FOR GLANDERS, DOURINE, EQUINE PIROPLASMOSIS, AND EQUINE INFECTIOUS ANEMIA; AND (III) HEALTH CERTIFICATE FROM COUNTRY OF ORIGIN SIGNED BY THAT COUNTRY'S VETERINARY AUTHORITIES.

6. COMMERCE INITIATING WITH THIS CASE NEW PROCEDURE FOR PROCESSING TFC COMPLAINTS. COMMERCE'S OFFICE OF ASSISTANT GENERAL COUNSEL (AGC/ITA) WILL BE WORKING JOINTLY WITH USDOC TFC STAFF IN PREPARING FORMAL CASES FOR TFC CONSIDERATION. THIS CASE SHOULD NOT RPT NOT BE RAISED IN TFC UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 114259

AT THIS TIME.

7. ACTION REQUESTED: EMBASSY TO CORROBORATE FACTS AS PRESENTED BY ROYAL PARKER RANCH, SUPPLY RELEVANT ADDITIONAL INFORMATION AVAILABLE TO EMBASSY AND COMMENT ON SUITABILITY OF CASE FOR TFC CONSIDERATION. WOULD APPRECIATE EMBASSY RESPONSE WITHIN FIVE WORKING DAYS AFTER RECEIPT OF THIS MESSAGE. CHRISTOPHER

UNCLASSIFIED

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